

**WASHINGTON STATE
GAMBLING COMMISSION**

Title 230 WAC

**REFLECTS CHANGES
to September 2004 Rules Manual**

**ADMINISTRATIVE ORDERs
#438 THROUGH #460**

Administrative Orders for Chapter 230-02 WAC

Administrative Order #456 Effective 7/1/06

WAC 230-02-205 Gambling service supplier defined. A "gambling service supplier" is any person who provides gambling related services for compensation, whether directly or indirectly.

(1) Gambling related services include at least the following:

(a) Providing consulting or advisory services regarding gambling activities;

(b) Providing gambling related management services;

(c) Providing financing for purchases or leases of gambling equipment or for providing infrastructure that supports gambling operations for more than one licensee. For purposes of this section, financing by any bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution shall not be deemed as providing gambling related services;

(d) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission;

(e) Providing assembly of components for gambling equipment under a contract with a licensed manufacturer;

(f) Providing installation, integration, maintenance, or any other service of digital surveillance systems that allows direct access to the operating system; or

(g) Training individuals to conduct authorized gambling activities.

(2) The term "gambling services supplier" does not include the following:

(a) Universities and colleges that are regulated by the Washington state board of community and technical colleges and the higher education coordinating board which train individuals to conduct authorized gambling activities;

(b) Licensed manufacturers or distributors who service and repair pull-tab dispensing devices, bingo equipment or any other authorized gambling equipment;

(c) Attorneys, accountants, and governmental affairs consultants whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; and

(d) Persons that only provide nonmanagement related recordkeeping services for punch board and pull-tab operators, when the combined total gross billings from such services does not exceed twenty-five thousand dollars during any calendar year.

Administrative Order #456 Effective 7/1/06

WAC 230-02-208 Punch board and pull-tab service business defined. "Punch board and pull-tab service business" is defined as a person that provides recordkeeping services for punch board and pull-tab operators for compensation and:

(1) The individuals are not employees of the operator;

(2) The recordkeeping services do not include recommendations or advice of a management nature;

(3) The combined total gross billings for such services during any calendar year does not exceed twenty-five thousand dollars; and

(4) The records completed are normally the responsibility of the operator. For purposes of this section, recordkeeping duties that are normally the responsibility of the operator include at least the following:

(a) Reconciling sales, prizes, and cash on hand for punch boards and pull-tab series;

(b) Completing mandatory records required by WAC 230-08-010: Provided, That recordkeeping services provided by a professional accounting business are exempt from these requirements when:

(i) The business performs services other than punch board and pull-tab records for the licensee;

(ii) The business has clients other than punch board and pull-tab licensees; and

(iii) The recordkeeping service only includes transcribing entries from the licensee into the required format; and/or

(c) Storing boards and series removed from play.

Administrative Order #448 Effective 9/16/05

WAC 230-02-505 Recreational gaming activity – Defined. A recreational gaming activity is a nongambling activity using poker tables and/or gambling devices authorized for use in fund-raising events, conducted no more than two times per calendar year, by or on behalf of an organization, business, or association, or department thereof. Only members and guests of the sponsoring organization, business, or association, or department thereof, may participate and the activity is subject to the requirements of WAC 230-25-330.

If a licensed distributor contracts with an organization, business, or association, or department thereof, to organize and conduct the recreational gaming activity on their behalf, the licensed distributor must send the commission a monthly schedule of activities for which they have contracted. This schedule must include the name of the organization, business, or association, or department thereof, and the date, location, and time of the activity. The schedule must identify any prior recreational gaming activities conducted by all licensed distributors on behalf of the organization, business, or association, or department thereof, within the last calendar year.

Administrative Orders for Chapter 230-04 WAC

Administrative Order #456 Effective 7/1/06

WAC 230-04-133 Punch board and pull-tab service business – Registration required – Procedures – Restrictions. It is in the public's interest to closely control gambling devices and records relating to the operation of a gambling activity. The commission must identify all individuals and businesses that have control over gambling devices, including punch boards and pull-tabs, and all records relating to the operation of gambling activities. Businesses that provide punch board and pull-tab record services, as defined by WAC 230-02-208, shall register with the commission and receive a permit prior to providing services to a licensee. The following procedures and restrictions apply to punch board and pull-tab service businesses:

(1) Each business seeking to register as a punch board and pull-tab service business shall submit a permit application on a form provided by the commission. Such application shall be complete in every respect, accompanied by proper fees, and signed by the applicant. The application shall include at least the following:

(a) A complete description of the services provided; and

(b) Personal and criminal history forms for all individuals involved in providing services.

(2) The permit shall be valid for a period not to exceed one year from the date approved.

(3) Any changes in information provided with the application must be submitted to the commission within thirty days of change.

(4) The permit becomes void and the business must apply for a gambling service supplier license to continue providing services if any of the conditions listed below occur:

(a) The nature of the business being provided changes to include services defined in WAC 230-02-205(1); or

(b) The combined total gross billings from providing services exceeds twenty-five thousand dollars during the permit period.

(5) The permit may be revoked by the director at any time for the following reasons:

(a) Reasons set forth in WAC 230-04-400 or RCW 9.46.075; or

(b) The permit holder has acted with gross negligence or intentionally misstated or manipulated a licensee's records or punch board/pull-tab games; or

(c) Failure to produce an operator's record or copies thereof, or punch board or pull-tab games when requested by a commission agent.

(6) Immediately upon request, a punch board and pull-tab service business shall provide the commission or any of its representatives a complete list of customers and the location where records of each are maintained.

(7) If a punch board and pull-tab service business or associate of such business has any interest in a licensed manufacturer or distributor, they shall inform the commission, any operator to which they provide services, and the manufacturer or distributor of the

relationship. The director may restrict the manufacturer or distributor from selling punch boards or pull-tabs to such operator.

(8) Punch board and pull-tab service business permit holders shall follow the records requirements of WAC 230-08-026 (1)(a), (c), (d), (2), and (3). In addition, such businesses shall be familiar with minimum recordkeeping requirements and availability of records for services they provide, including but not limited to WAC 230-08-010, 230-12-010 and 230-30-072.

Administrative Order #446 Effective 7/1/05

WAC 230-04-142 Notification to the commission upon beginning, terminating, or changing employment – Public card room employees. A licensed public card room operator shall notify the commission in writing before a card room employee begins work in the card room or has terminated employment for any reason.

(1) The notification shall be submitted on a form provided by the commission.

(2) Each notification shall be submitted before the card room employee's first day of work or when the employer determines the card room employee will no longer be working, as applicable, and shall reach the administrative office of the commission in Lacey, not later than 5:00 p.m. on the seventh business day following the employee's first day of work or last day of work, as applicable.

(3) A fee, the amount of which is set forth in WAC 230-04-204, must be submitted before a licensed card room employee or certified Class III employee begins working at another location.

(4) This rule shall not apply to persons operating a public card room under a Class B or Class D license only.

Administrative Order #458 Effective 7/20/06

WAC 230-04-204 Fees – Individuals. Individuals shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. CHARITABLE OR NONPROFIT GAMBLING MANAGER		
	Original	\$ 171
	Renewal	\$ 82
	Change of Employer	\$ 82

2. LINKED BINGO PRIZE PROVIDER REPRESENTATIVE		
Original	\$	239
Renewal	\$	146
3. COMMERCIAL GAMBLING MANAGER		
Original	\$	175
Renewal	\$	84
Change of Employer	\$	84
4. DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE		
Original	\$	239
Renewal	\$	146
5. MANUFACTURER'S REPRESENTATIVE		
Original	\$	239
Renewal	\$	146
6. PUBLIC CARD ROOM EMPLOYEE		
CLASS A - Performs duties as defined in WAC 230-02-415 in a class E card room.		
Original	\$	175
Renewal	\$	84
CLASS B - Performs duties as defined in WAC 230-02-415 in enhanced and house-banked card rooms.		
Original, in-state	\$	237
Original, out-of-state	\$	295
Renewal	\$	146
Transfer / Additional Employee / Conversion/ Emergency Waiver Request	\$	57
7. OTHER FEES		
CHANGE OF NAME		
(See WAC 230-04-310)	\$	26
DUPLICATE LICENSE		
(See WAC 230-04-290)	\$	26
OUT-OF-STATE RECORDS INQUIRY		
(See WAC 230-04-240)	As required	

8. If a license expires while an individual is on active military service, the individual may apply to have their license reissued at the renewal fee. The application must be received within six months after completing their active military service. The applicant shall provide evidence of the completion date of active military service.

Administrative Order #444 Effective 7/1/05

WAC 230-04-255 Director may issue temporary licenses – Procedures – Restrictions. The director may issue a temporary license upon the administrative approval of the application. The following procedures apply to temporary licenses:

(1) Temporary licenses shall allow an applicant to conduct such activity for a period not to exceed sixty days.

(2) If the application is not approved by the commission during the sixty day period, the temporary license shall become void: Provided, That if the commission does not conduct a meeting within the sixty-day period, the director may approve an additional temporary license to expire no later than the day following the next scheduled public meeting;

(3) Once approved by the commission, a temporary license will be replaced with the issuance of a license to expire one year from the initial date of the temporary license.

Administrative Order #445 Effective 7/1/05

WAC 230-04-270 Bad checks submitted as payment of fees. The payment of a license fee by a check, which for any reason is not promptly paid by the drawee bank, shall be grounds for immediate administrative closure of a new application, voiding of a temporary license, or revocation of a continuing license. If an application or license is administratively closed, voided or revoked under this section, a new application must be submitted with fees payable only by certified check, money order, or cash. Upon notification that a check is not negotiable or when a check must be resubmitted for payment for any reason, the commission shall:

(1) Add a processing charge of thirty dollars to the required license fee; and

(2) Notify the applicant by phone or in writing that payment in full, by certified check, money order, or cash, must be remitted within five days of the notification date. If the proper fee is not received within five days, the commission will proceed with appropriate administrative action.

Administrative Orders for Chapter 230-08 WAC

Administrative Order #454 Effective 3/18/06

WAC 230-08-120 Quarterly activity report by operators of bingo games (license Class D and above). Each organization licensed to conduct bingo games in Class D and above shall submit an activity report to the commission concerning the licensed activity and other matters set forth below.

(1) Licensees must report on activity occurring between:

January 1 through March 31;

April 1 through June 30;

July 1 through September 30; and

October 1 through December 31 of each year.

(2) A report shall be submitted for any period of time the activity was operated or a license was valid. If a license was not renewed, a report for the period between the previous report and the expiration date shall be submitted.

(3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than 30 days following the end of the period for which it is made.

(4) The report shall be signed by the highest ranking officer or his/her designee. If the report is prepared by someone other than the licensee or an employee, then the preparer shall print his/her name and phone number on the report.

(5) The report shall be completed in accordance with the related instructions furnished with the report.

Administrative Order #454 Effective 3/18/06

WAC 230-08-125 Annual activity reports – Certain activities operated by charitable or nonprofit organizations. Each charitable or nonprofit organization licensed to operate raffles, amusement games, Class A, B, or C bingo games, or combination license shall submit to the commission an annual summary of all such activities. The annual report shall be completed as follows:

(1) The report form shall be furnished by the commission, and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the expiration of such organization's license year.

(2) The report shall be signed by the highest ranking officer or his/her designee. If the report is prepared by someone other than this officer, then the preparer shall include his/her name and phone number on the report;

(3) The report shall be completed in accordance with the related instructions furnished with the report.

Administrative Order #447 Effective 7/1/05

WAC 230-08-130 Activity reports by operators of punch boards and pull-tabs. Each licensee for the operation of punch boards and pull-tabs shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below:

(1) Reports shall be submitted as follows:

(a) Commercial licensees must report on activity occurring between:

(i) January 1 through June 30 of each year; and

(ii) July 1 through December 31 of each year.

(b) Charitable/nonprofit licensees must report punch board/pull-tab activity in accordance with subsection (1) of this section, unless they are also licensed for Class D or above bingo.

(c) Class D or above bingo licensees with a punch board/pull-tab license must report punch board/pull-tab activity, on the combined quarterly report provided by the commission, to determine compliance with WAC 230-20-059.

(2) A report shall be submitted for any period of time the activity was operated or a license was valid. If a license is not renewed, a report for the period between the previous report filed and the expiration date shall be submitted;

(3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(4) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or an employee, the preparer shall print his/her name and phone number on the report;

(5) The report shall be completed in accordance with the related instructions furnished with the report.

Administrative Order #447 Effective 7/1/05

WAC 230-08-140 Activity reports by distributors. Each licensed distributor shall submit an activity report to the commission concerning sales and services relating to gambling activities each quarter by completing a report form furnished by the commission. The following requirements shall be followed for completion and filing of activity reports:

(1) Licensees must report on activity occurring between:

(a) January 1 through June 30 of each year; and

(b) July 1 through December 31 of each year.

(2) The completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report

is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided;

(4) The report shall be completed in accordance with the related instructions furnished with the report.

(5) Each distributor with an active license must submit a report regardless of the level of activity. If no activity was conducted during the period, a report stating "no activity" shall be submitted;

(6) If a licensee does not renew their license, then they shall file a report for the period between the previous report filed and the expiration date of the license.

Administrative Order #447 Effective 7/1/05

WAC 230-08-150 Activity reports by manufacturers. Each licensed manufacturer shall submit an activity report to the commission concerning all sales and services relating to gambling activities each quarter by completing a report form furnished by the commission. The following requirements shall be followed for completion and filing of activity reports:

(1) Licensees must report on activity occurring between:

(a) January 1 through June 30 of each year; and

(b) July 1 through December 31 of each year.

(2) The completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer shall print his/her name and phone number on the report;

(4) The report shall be completed in accordance with the related instructions furnished with the report.

(5) Each manufacturer with an active license must submit a report regardless of the level of activity. If no activity was conducted during the period, a report stating "no activity" shall be submitted;

(6) If a licensee does not renew their license, then they shall file a report for the period between the previous report filed and the expiration date of the license.

Administrative Order #447 Effective 7/1/05

WAC 230-08-160 Activity reports by operators of social and public card rooms. Each licensee for the operation of social or public card rooms shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below: Provided, That persons licensed under Class "D" - general, no fee charged, are exempt from all portions of this section:

(1) Licensees must report on activity occurring between:

(a) January 1 through June 30 of each year; and

(b) July 1 through December 31 of each year.

(2) A report shall be submitted for any period of time the activity was operated or a license was valid. If a license is not renewed, a report for the period between the previous report filed and the expiration date shall be submitted;

(3) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(4) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or an employee, the preparer shall print his/her name and phone number on the report;

(5) The report shall be completed in accordance with the related instructions furnished with the report.

Administrative Order #447 Effective 7/1/05

WAC 230-08-165 Activity reports by linked bingo prize providers. Each licensed linked bingo prize provider shall submit an activity report to the commission concerning sales and services relating to gambling activities each quarter by completing a report form furnished by the commission. The following requirements shall be followed for completion and filing of activity reports:

(1) Licensees must report on activity occurring between:

(a) January 1 through June 30 of each year; and

(b) July 1 through December 31 of each year;

(2) The completed report shall be received in the office of the commission or postmarked no later than thirty days following the end of the period for which it is made;

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided;

(4) The report shall be completed in accordance with the related instructions furnished with the report;

(5) Each linked bingo prize provider with an active license must submit a report regardless of the level of activity. If no activity was conducted during the period, a report stating "no activity" shall be submitted; and

(6) If a licensee does not renew their license, then they shall file a report for the period between the previous report filed and the expiration date of the license.

Administrative Order #454 Effective 3/18/06

WAC 230-08-180 Annual activity reports by commercial amusement game operators. (License Class B and above) (1) Each licensee for the operation of commercial amusement games Class B and above shall submit an activity report to the commission concerning the operation of the licensed activity and other matters set forth below.

(2) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than sixty days following the license expiration date.

(3) The report shall be signed by the highest ranking executive officer or their designee. If the report is prepared by someone other than the licensee or their employee, then the preparer's name and business telephone number must be provided.

(4) The report shall be completed in accordance with the related instructions furnished with the report.

Administrative Order #454 Effective 3/18/06

WAC 230-08-250 Annual activity reports by agricultural fairs and other bona fide charitable or nonprofit organizations with special location licenses to conduct bingo, raffles, and amusement games. (1) Each bona fide charitable or nonprofit licensee for the operation of bingo, raffles, and amusement games conducted only at agricultural fairs and other special locations shall submit an activity report to the commission concerning the operation of the licensed activities and other matters set forth below for the period of their license.

(2) The report form shall be furnished by the commission and the completed report shall be received in the office of the commission or postmarked no later than 30 days following the expiration date of the license. All persons operating by virtue of a permit issued by the commission shall furnish to the licensee in conjunction with whom the permit is used, all information with respect to their own operation which is needed by the licensee to complete its report not less than ten days prior to the time the licensee is required to file his report with the commission.

(3) The report shall be signed by the highest ranking executive officer or his designee. If the report is prepared by someone other than the licensee or his employee, then the preparer shall also sign the report.

(4) The report shall be completed in accordance with the related instructions furnished with the report.

Administrative Orders for Chapter 230-12 WAC

Administrative Order #460 Effective 8/17/06

WAC 230-12-050 Extension of credit, loans, or gifts prohibited – Limited exception. No licensee, member or employee thereof shall extend credit, make a loan, or grant a gift to any person playing in an authorized gambling activity, or which enables a person to play in an authorized gambling activity.

Gifts prohibited – Exceptions.

(1) Gifts are items licensees give away to its customers and are not connected to gambling activities regulated by the commission. Licensees shall not offer gifts in conjunction with gambling activities, with the following exceptions:

(a) Promotions are allowed as authorized by WAC 230-12-045;

(b) Transportation services provided to and from gambling activities;

(c) Free or discounted food, drink or merchandise may be provided under the following conditions:

(i) The actual cost of any individual item may not exceed five hundred dollars;

(ii) The merchandise shall not be traded back to the licensee for cash or be used to further participate in an authorized gambling activity;

(d) For each individual gift with an actual cost over one hundred dollars, charitable and nonprofit organizations shall prepare and maintain a written record with the following information:

(i) How the recipients of the gifts were selected;

(ii) The number of gifts awarded; and

(iii) The total cost of each gift given.

Credit and loans prohibited – Exceptions.

(2) The consideration required to participate in the gambling activity shall be collected in full, by cash, check, electronic point-of-sale bank transfer, gift certificate, or gift card, prior to participation, with the following exceptions:

Punch boards/pull-tabs.

(a) The consideration paid for the opportunity to play a punch board or pull-tab series may be collected immediately after the play is completed only when such consideration is ten dollars or less;

Charitable/nonprofit organization's billing system for members.

(b) When a bona fide charitable or bona fide nonprofit organization conducting any of the activities authorized by chapter 9.46, RCW or commission rules has a regular billing system for all of the activities of its members with such organization, such billing system may be utilized in connection with the playing of any of the activities authorized hereunder if:

(i) The playing of such activity is limited to regular members of such organization who have become regular members prior to the commencement of such activity and whose qualifications for membership were not dependent upon, or in any way related to, the playing of

such activity; and

(ii) The director has given prior written consent to the use of such billing system in connection with the conduct of activities authorized under these rules.

Raffle tickets purchased with credit cards.

(c) Charitable or nonprofit organizations utilizing credit cards, issued by a state and/or federally regulated financial institution, for payment to participate in raffles.

Administrative Order #447 Effective 7/1/05

WAC 230-12-305 Licensee required to submit updated documents or information. In addition to any other requirements set forth in these rules, persons licensed by the commission shall submit any new or updated documents or information including, but not limited to, the following:

(1) Articles of incorporation or by laws, or any other documents which set out the organizational structure and purposes;

(2) Internal Revenue Service tax exemption status (charitable/nonprofit organizations only);

(3) All contracts and agreements, whether oral or written which relate to gambling activities or alter the organizational structure of the licensee or its business activities in Washington state; and

(4) All cash or asset contributions, draws from lines of credit, and loans, from other than recognized financial institutions, which individually or collectively exceed a total of ten thousand dollars during any calendar year: Provided, That cash or asset contributions do not include donations to licensed charitable or nonprofit organizations.

Submission timeline.

(5) The new or updated documents and/or information shall be submitted to the commission no later than sixty days following the transaction(s) date.

Administrative Order #447 Effective 7/1/05

WAC 230-12-310 Licensees to report to the commission civil, criminal and administrative actions filed against them. (1) Each licensee shall report to the commission within fourteen days, all criminal actions filed against the licensee or the licensee's president, chief executive officer, chairman of the board, treasurer (chief financial officer), partner, person holding a substantial interest or manager of the licensed gambling activity. The final disposition of the case must be received by the commission within thirty days after the final disposition.

(2) Each licensee shall report to the commission within thirty days, all civil and administrative actions filed by or against persons listed in subsection (1) of this section that involve ownership or control of the business, dissolutions, actions significantly affecting business

interests, such as patent or copyright infringement and all administrative actions from other gambling regulatory agencies, including those from other countries and Indian tribes. The final disposition of the case must be received by the commission within thirty days of the final disposition.

(3) The report shall consist of a complete copy of the original documents filed. The licensee shall notify the commission of the final disposition of the case and include a copy of the final documents filed including, but not limited to, settlement agreements.

(4) The director may exempt reporting specific types of civil actions upon written request and for good cause shown.

Administrative Order #451 Effective 10/10/05

REPEALER The following section of the Washington Administrative Code is repealed:

WAC 230-12-320 Manufacture and distribution of gambling equipment and services – Prohibited practices – Gifts, promotional activities, and loans – Exceptions.

Administrative Order #451 Effective 10/10/05

REPEALER The following section of the Washington Administrative Code is repealed:

WAC 230-12-330 Availability of gambling equipment and related products and services – Prices – Contracts – Discounts – Restrictions – Exceptions.

Administrative Order #457 Effective 7/20/06

NEW SECTION

WAC 230-12-337 Manufacturers and distributors transporting and displaying gambling devices – Trade shows and conventions. A manufacturer or distributor licensed by the Washington State Gambling Commission to sell gambling devices authorized by state or federal law may transport, display and accept orders for the sale or lease of those devices at trade shows and conventions, under the following restrictions:

(1) The target audience of the trade show or convention must be operators of authorized gambling activities in Washington State;

(2) The commission must be notified in writing of the nature, date, and location ten days before the trade show or convention; and

(3) All gambling devices purchased or leased at the trade show or convention must be delivered to the operator's authorized location.

Administrative Order #451 Effective 10/10/05 **Effective thru 8/16/06 – See AO#459 (follows)**

WAC 230-12-340 Sale of gambling equipment, devices, supplies, paraphernalia, and related services – Authorized transactions. Manufacturers and distributors must not offer credit to operators in the sale of gambling equipment, devices, related supplies or paraphernalia, and services. Manufacturers and distributors must conduct all sales of such to operators on a cash basis. "**Cash basis**" means full payment is received by the seller on or before actual delivery of the product or service to the purchaser.

Capital leases.

(1) All licensed manufacturers and distributors may sell gambling equipment such as dispensers, bingo blowers, roulette wheels, etc., and gambling-related support equipment through capital lease agreements or other financing arrangements to operators subject to the following conditions and requirements:

(a) The cost of a single item, or group of similar and related items included in the sale, exceeds one thousand dollars;

(b) The term of the contract does not exceed forty-eight months;

(c) All terms of the contract are in writing and copies of such agreements are provided to the commission within thirty days of execution;

(d) The manufacturer or distributor retains only a security interest in the item sold and cannot obtain any ownership interest in the licensee, or exercise any control over the use of the item in the licensed activity;

(e) The amount of payments is not based on the size or level of gambling activity and is determined by use of a standard amortization schedule for the term and stated interest rate;

(f) The interest rate charged by the contract is set at the time of sale and does not vary during the term of the contract; and

(g) The contract does not require the purchaser to directly or indirectly purchase any other products or services from the seller.

Rental or license agreements.

(2) Except for punch boards, pull-tabs, bingo paper, bingo supplies, playing cards, and other consumable gambling-related equipment or devices, manufacturers and distributors may lease or rent gambling equipment to operators. Manufacturers may also enter into license agreements with operators for use of the manufacturer's patented, copyrighted, or trademarked games.

(3) Manufacturers and distributors may only base fee structures for electronic bingo equipment on the number of times a device is used or the number of bingo sessions in which devices are used. Fees must not be determined by a percentage of sales, the number of bingo cards sold through the device, or the average amount a player spends on a device.

Check or credit card purchases.

(4) Operators may purchase goods and services from manufacturers or distributors when paid for by checks, or credit card issued by a state and/or federally regulated financial institution that meet the requirements of WAC 230-12-350.

Exceptions.

(5) All transactions between manufacturers or distributors and tribal governments or companies certified to manage class III gambling activities operated under a tribal/state compact are exempt from all provisions of this section;

(6) Charitable or nonprofit organizations licensed to conduct bingo may purchase bingo cards and bingo supplies from distributors and/or manufacturers and receive such without making immediate payment if payment is made, by check or cash, no later than thirty days after delivery of the product.

Administrative Order #459 Effective 8/17/06
Replaces AO #451 (precedes)

REPEALER The following section of the Washington Administrative Code is repealed:

WAC 230-12-340 Sale of gambling equipment, devices, supplies, paraphernalia, and related supplies – Authorized transactions.

Administrative Order #451 Effective 10/10/05

REPEALER The following section of the Washington Administrative Code is repealed:

WAC 230-12-345 Leases, rentals, and license agreements – Requirements – Restrictions.

Administrative Order #451 Effective 10/10/05
Effective thru 8/16/06 – See AO#459 (follows)

WAC 230-12-350 Use of checks and credit cards to purchase gambling equipment, products, and services--Restrictions. Checks and credit cards may be used by licensed operators and distributors to purchase gambling equipment, devices, related supplies or paraphernalia, and services in lieu of cash under the following conditions:

(1) Checks and credit cards must be drawn on the licensee's business account: Provided, That personal checks and credit cards drawn on the account of an owner, partner, or officer or substantial interest holder of a corporate licensee may be accepted.

(2) Checks received by distributors from operators must be negotiable and dated on or before the delivery date of the product or service. Checks shall not be postdated.

(3) Checks shall not be held and must be presented for payment at the manufacturer's or distributor's bank within the prescribed time frames. Failure to present checks within the prescribed time period shall be prima facie evidence of extension of credit to the drawer licensee by the manufacturer or distributor. Prescribed time frames are as follows:

(a) Checks received from operators shall be deposited within ten calendar days after the date the product or service was delivered; and

(b) Checks received from distributors shall be deposited within ten days of the date received or, if delivered by mail, thirteen days from the postmark of the envelope containing the payment.

Administrative Order #459 Effective 8/17/06
Replaces AO #451 (precedes)

REPEALER The following section of the Washington Administrative Code is repealed:

WAC 230-12-350 Use of checks and credit cards to purchase gambling equipment, products, and services – Restrictions.

Administrative Orders for Chapter 230-20 WAC

Administrative Order #442 Effective 7/1/05

WAC 230-20-115 Gift certificates. Bingo operators may award gift certificates as bingo prizes or sell certificates to their customers under the following conditions:

(1) **Standards for gift certificates.** Gift certificates must be purchased from a commercial printer or licensed distributor and have the following information printed on them:

- (a) A predetermined certificate number;
- (b) A predetermined dollar value;
- (c) The name of the organization issuing the certificate; and
- (d) Any conditions or contingencies related to the redemption of the certificate.

(2) **Awarding gift certificates as bingo prizes.** When gift certificates are awarded as bingo prizes:

- (a) The certificates must be issued consecutively;
- (b) The value of the certificates cannot exceed fifty dollars per bingo prize;
- (c) The certificates cannot be issued exclusively for punch boards or pull-tabs;
- (d) The value of each gift certificate must be recorded as a bingo prize in the daily bingo records, under the session awarded; and
- (e) The bingo prize receipt for the certificate must be kept with the daily bingo records.

(3) **Selling gift certificates to customers.** When gift certificates are purchased by customers:

- (a) The certificates must be issued consecutively;
- (b) The certificates must be paid for in full at the time of purchase; and
- (c) All funds collected by the bingo operator must be deposited separately into the gambling account within five banking days. Each gift certificate number must be included with the deposit record.

(4) **Redeemed gift certificates:**

- (a) Redeemed certificates must be kept with the corresponding bingo daily sales records;
- (b) Gift certificates redeemed for bingo cards will not be considered sales of bingo cards; and
- (c) The dollar value and number of certificates redeemed must be recorded in the cash reconciliation section of the daily bingo records.

(5) **A monthly reconciliation** of gift certificate inventory to certificates issued is required and must include the following controls:

- (a) A gift certificate inventory log, which includes the following:
 - (i) Certificate number;
 - (ii) Dollar value of each certificate;
 - (iii) Date the certificate was sold or awarded as a bingo prize; and
 - (iv) Date the certificate was redeemed;
- (b) Purchase invoices, which must include the:
 - (i) Name of the organization;
 - (ii) Date the gift certificates were purchased; and
 - (iii) Beginning and ending numbers on the gift certificates.

Administrative Order #450 Effective 10/10/05

WAC 230-20-325 Manner of conducting a raffle. Only licensed charitable and nonprofit organizations may operate raffles under the following conditions: Raffle tickets must be sold for twenty-five dollars or less. No person shall be required to purchase more than one raffle ticket. Every ticket for a particular raffle must be sold for the same price. However, tickets may be offered at a discount under the following conditions:

Bundling and selling tickets at a discount.

(1) Organizations may put tickets together in a bundle and sell them at a discount if the organization:

- (a) Has a current raffle license;
- (b) Sets the discount before selling any raffle tickets and does not change the discount plan during the raffle;
- (c) Keeps records that meet all commission requirements;
- (d) Makes single nondiscounted tickets available to all participants; and
- (e) Uses only one discount plan for each raffle.

(2) Booklets of bundled discounted tickets must contain the number of tickets set forth in the discount plan. For example, a single ticket is sold for five dollars each and three tickets bundled together are sold for ten dollars.

(3) Bundled tickets cannot be removed from a booklet and sold individually. Each booklet of bundled tickets must have the following information printed on the cover:

- (a) A description of the discount plan;
- (b) The number of tickets in the booklet;
- (c) The total cost of the booklet; and
- (d) A consecutive number.

Ticket accounting.

(4) Organizations must establish accounting procedures and provide controls necessary to allow for an audit of gross gambling receipts from ticket sales. To provide an adequate audit trail, all raffle tickets must:

- (a) Be consecutively numbered; or
- (b) Be imprinted with letters or symbols which are not repeated within the population of all tickets sold for a particular raffle.

No free tickets.

(5) Organizations must not give raffle tickets away for free and no one can be given an opportunity to participate in a raffle drawing without purchasing a ticket.

Selling tickets.

(6) Organizations must not sell raffle tickets via the internet.

(7) Tickets must be sold by members of the organization or volunteers under the supervision of a member under the requirements set forth in WAC 230-20-070(1).

Incentives for selling tickets.

(8) Members or volunteers of the organization must not be paid for selling tickets, managing, or operating a raffle. Organizations may provide members or volunteers with noncash incentive awards for selling tickets if:

- (a) The awards are based on the number of chances sold;
- (b) The fair market value of the total amount awarded for an individual raffle does not exceed five percent of the gross gambling receipts of the raffle; and
- (c) A record of the name, address, and telephone number is maintained for all persons receiving incentive awards.

Rules must be provided to participants.

(9) Organizations must inform all participants at the time a ticket is purchased of all rules by which prizes may be won in a raffle. This information must be provided by either imprinting such on the participant's portion of the ticket or otherwise providing such to each participant in writing. Organizations must give each participant the following information:

- (a) The cost of each chance;
- (b) All prizes available, whether cash or merchandise;
- (c) Date and time of drawing;
- (d) Location of drawing;
- (e) Whether an entrant is required to be present at a raffle drawing in order to be eligible to win a prize; and
- (f) Name of organization conducting the raffle.

Posting the raffle license.

(10) The raffle license or a copy of the license must be posted in a readily visible location at the site of the drawing.

Ticket stub information.

(11) If organizations sell raffle tickets to the general public or for raffles that do not require the winner to be present at the drawing, the organization must include a stub or other detachable section bearing a duplicate number, letter, or symbol corresponding to the number, letter, or symbol on the ticket or object representing the player's chance. The portion kept by the organization must include the participant's name, complete address, telephone number, and/or other information necessary to notify the winner.

Ticket stubs to be placed in receptacle for drawing.

(12) Each person that sells a raffle ticket must give the organization all ticket stubs or other detachable section of all tickets sold. The organization must place each stub or other detachable section of each ticket sold into a receptacle from which the winning tickets will be drawn.

Prizes.

(13) Organizations must own the prizes before drawing the winning tickets. Raffle prizes must:

- (a) Not be firearms, unless awarded as prizes under the provisions set forth in WAC 230-12-040;
- (b) Not be liquor;

(c) Meet the requirements to the amount of money spent on prizes set forth in WAC 230-20-015; and

(d) Be controlled as set forth in WAC 230-20-300.

Drawing winning tickets.

(14) Organizations must design the ticket collection receptacle so that each ticket has an equal opportunity to be drawn unless the organization is using an authorized alternative drawing format.

Using alternative drawing formats.

(15) Organizations may use an alternative drawing format that randomly determines winners when the organization:

- (a) Has a current raffle license;
 - (b) Maintains records sufficient to meet all requirements of WAC 230-08-070 regardless of license class;
 - (c) Meets the definition of a drawing as defined by WAC 230-02-500 with the alternate drawing format;
 - (d) Fully discloses to each player the random selection process used in the alternative format before selling tickets;
 - (e) Maintains a copy of the disclosure with the permanent raffle records;
 - (f) Ensures all participants have an equal chance of winning; and
 - (g) Uses raffle tickets that are prenumbered and sequential.
- (16) Alternative formats involving an element of skill are prohibited.
- (17) Internal controls and accounting procedures must:
- (a) Provide the ability to audit gross gambling receipts from ticket sales;
 - (b) Have sufficient controls to prevent manipulation of the random selection process; and
 - (c) Document the random selection process.

Alternative drawing formats.

(18) Organizations can only conduct alternative drawings for raffles that meet the criteria outlined in subsections (15), (16) and (17) of this section. The following are examples of alternative drawing formats that meet this criteria.

Mock raffle races.

(a) Sequentially numbered and issued tickets/adoption papers are numbered to identify a specific corresponding numbered mock animal(s), ball(s), or other similar objects that can be raced using natural elements to move the objects (water, gravity, wind). Objects must be released simultaneously at a start line. The winner will be the numbered object to first cross the finish line. All objects must be identical in weight, size, and shape, to have an equal opportunity to win.

Poker runs.

(b) Sequentially numbered and issued tickets/poker tally sheets are sold to participants. Participants will travel a predetermined course with predetermined drawing stations (typically five drawing stations). At

each drawing station, the participant will draw one playing card for each ticket purchased. Station attendants will verify the card drawn and will record the card value on the poker ticket tally sheet. After all participants have completed the course, the best recorded poker hand will be declared the winner.

Ball drops.

(c) Sequentially numbered and issued tickets are numbered to identify a specific corresponding numbered ball. All purchased numbered balls will be suspended in air and simultaneously released over a target zone. The ball, closest or first, to hit the predetermined target will be declared the winner. All balls must be equal in size, weight, and shape, to have an equal opportunity to win.

Animal plops.

(d) Sequentially numbered and issued tickets are numbered to identify a specific corresponding square on a numbered grid. The animal of choice will be released into the grid area until the animal has completed its plop. The numbered square containing the plop will determine the winner.

Multiple stage drawings.

(e) Tickets or objects are sequentially numbered and issued. Winners will be determined using multiple drawing phases to eliminate participants until the remaining ticket holder(s) are declared the winner. Second element chance plans are allowed as long as they meet the criteria set out in this rule.

Bucket raffles.

(f) Tickets are sequentially numbered and issued. Participants are allowed to place their tickets into any number of separate drawings for separate prizes. The multiple drawings are considered one single raffle unless the organization uses different numbered tickets for each drawing.

Calendar raffle.

(g) Calendars are sequentially numbered and issued. All sold calendar numbers are entered into the drawing receptacle. On predetermined dates, identified on the calendar, drawings will be conducted. All winning tickets must be replaced into the drawing receptacle for future drawings.

Using a second element of chance.

(19) Organizations may use second elements of chance to:

(a) Determine the final prize winner (for example: Ten finalists are drawn and each finalist will choose a key. The finalist with the key that unlocks the safe wins);

(b) Determine which prize is awarded among a group of prizes (for example: The winner selects one of three keys and wins the vehicle the key starts);

(c) Increase the prize (for example: The winning ticket matches a predetermined sequence of numbers and wins an additional prize).

(20) All aspects of the alternate drawing format must be closely controlled by the licensee.

Joint raffles.

(21) Organizations holding a raffle license may join together with another raffle licensee to conduct a raffle when the provisions set forth in WAC 230-20-350 are followed.

Members-only raffles.

(22) Organizations may conduct members-only raffles under simplified procedures set forth in WAC 230-20-335.

Administrative Order #450 Effective 10/10/05

WAC 230-20-335 Members-only raffles – Procedures – Restrictions. Only licensed charitable and nonprofit organizations may conduct a members-only raffle. For purposes of this section, "members-only raffle" means a raffle where chances are sold only to members of the organization and a limited number of guests. Winners must be determined from among those members and guests that have purchased chances.

Licensed versus unlicensed.

(1) Organizations may conduct an unlimited number of unlicensed members-only raffles if the combined gross revenue from the raffles does not exceed five thousand dollars during a calendar year. If organizations plan to exceed the five thousand dollar gross revenue limit, they must obtain a raffle license.

Raffle to begin and end during membership meeting.

(2) All phases of the raffle must be completed during a meeting of the members or special event, and the meeting or event must be completed on the same day and at the same location without interruption.

Limit on number of guests.

(3) If organizations allow guests to participate, the total number of guests, as a percentage of the total attendance of the meeting, must not exceed twenty-five percent. The organization must maintain records to show compliance with this requirement.

Providing rules of play.

(4) Organizations must post a sign at each ticket sales point to provide participants with all rules of play or the required disclosures must be imprinted on the raffle ticket or chance.

Tickets in packages.

(5) Organizations may include chances to enter a raffle as a part of a package that includes dues, entertainment, or other fund-raising activities if the value of each component of the package is disclosed to the purchaser and the value of each individual raffle chance does not exceed twenty-five dollars. However, initial applications for membership and any fees paid for such must not include chances to enter raffles or to participate in any gambling activities.

Modified pricing plans for tickets.

(6) Organizations may use modified ticket pricing plans at members-only raffles as long as gross revenue

does not exceed five thousand five dollars. Chances to enter a raffle may be sold for different values not to exceed ten dollars for a single chance if:

(a) The plan for assigning the cost of the ticket is disclosed to the players before selling them a chance to participate. The information must include the total number of tickets in the population and the number of tickets at each price level;

(b) Participants are allowed to randomly select their ticket from the population of remaining tickets and pay the amount imprinted on the ticket they select;

(c) There is an adequate audit trail to determine gross gambling receipts;

(d) No more than two such drawings are held during a meeting or event.

Discount based on number of tickets purchased.

(7) Chances may be sold for a discounted price that is based on the number of tickets a player purchases if:

(a) The amount of the discount is set before any raffle tickets are sold;

(b) Participants are allowed to purchase a single ticket;

(c) There is only one discount plan for each raffle;

(d) The cost of a single ticket, without a discount, does not exceed ten dollars;

(e) The total cost of a discount package does not exceed twenty-five dollars;

(f) The cost of a single ticket is imprinted on each ticket (for example, one dollar each);

(g) The discounted tickets are identified by a unique ticket audit numbering system; and

(h) An audit system is established that includes controls and procedures to determine gross gambling receipts from the sale of tickets utilizing a modified pricing plan.

Other pricing plan.

(8) Multiple tickets to enter one or more drawings may be sold as a package as long as the total price of the package does not exceed twenty-five dollars.

Alternative drawing formats.

(9) Organizations may use alternative drawing formats set forth in WAC 230-20-325 for members-only raffles. Organizations may substitute prenumbered raffle tickets with similar objects that can be used to randomly determine winners if the organization:

(a) Has a current raffle license; and

(b) Establishes internal controls and accounting procedures that will:

(i) Provide permanent records with enough information to verify gross gambling receipts;

(ii) Prevent the manipulation of the random selection process; and

(iii) Document, in detail, the random selection process used.

Members-only alternative drawing formats.

(10) Organizations can only conduct alternative drawings for raffles that meet the criteria outlined in subsection (9) of this section. In addition to the alternative drawing formats listed in WAC 230-20-325,

the following are also examples of alternative drawing formats that can be used for members-only raffles.

Mock raffle races (horse race raffles).

(a) Sequentially numbered and issued tickets/race forms are sold to participants to wager on a specific mock animal in a field of mock animal racers (typically five to ten racers). The mock animals will race in individual lanes divided into equal spaces or squares (for example, bingo boards are sometimes used as race lanes). Animals will move forward based on the numbers rolled on dice or balls drawn from a set of bingo balls. The first mock animal to cross the finish line will be declared the winner. All winning ticket holders will split the prize pool or a drawing of winning tickets will determine a single winner.

Video race raffles.

(b) Sequentially numbered and issued tickets/race forms are sold to participants to wager on the outcome of an unknown video taped race, typically horse races. The previously taped races must be obtained from an outside source and no participants must have knowledge of the specific race or the specific racers before conducting the video race drawing. Participants will be allowed to wager on the specific racers, identified by numbers, or a specific race lane. All participants holding a winning race number ticket or winning lane number ticket will be declared the winner. A drawing of the winning tickets may be held to determine a single winner.

Paddle wheel raffles.

(c) Numbered paddles or numbered tickets are sold to participants that correspond with numbered spaces on a spinning wheel. A balanced wheel divided into numbered segments is spun, at least one full revolution. The specific number the wheel stops on will determine the winning ticket holder.

Pick your own ticket.

(d) A predetermined number of objects or tickets are sold to participants. Each object or ticket may only be issued one time. If using a modified pricing plan, the selection of tickets must be based totally on chance and no participant can determine the price of a ticket before making their selection. All modified pricing plans must follow the requirements set out in subsections (6), (7) and (8) of this section.

Incentives for selling tickets.

(11) Organizations may provide members with noncash incentive awards for selling tickets if:

(a) The awards are based on the number of chances sold;

(b) The fair market value of the total amount awarded for an individual raffle does not exceed five percent of the gross gambling receipts of the raffle; and

(c) A record of the name, address, and telephone number is maintained for all persons receiving incentive awards.

Prizes.

(12) Organizations must own the prizes before drawing the winning tickets. Raffle prizes must:

(a) Not be firearms, unless awarded as prizes under the provisions set forth in WAC 230-12-040;

(b) Not be liquor, unless unopened containers of liquor are awarded as a prize in members-only raffles when the proper permit is obtained from the liquor control board (RCW 9.46.0315 and WAC 230-20-335);

(c) Meet the dollar amount limits set forth in WAC 230-20-015; and

(d) Be controlled as set forth in WAC 230-20-300.

Records.

(13) For members-only raffle records, WAC 230-08-070 is modified as follows:

(a) The name, address, and telephone number must be recorded for all winners of a prize valued at greater than fifty dollars, see WAC 230-08-070 (2)(e);

(b) A detailed record of disbursements and returned tickets is not required, see WAC 230-08-070 (2)(f); and

(c) All records must be maintained for a minimum of one year following the date of each individual raffle drawing, see WAC 230-08-070(4).

Administrative Orders for Chapter 230-40 WAC

Administrative Order #453 Effective 2/17/06

WAC 230-40-120 Limits on wagers in card games. Social and public card room licensees shall not allow wagering limits set by the commission to be exceeded in any card game. The number and value of wagers in card games are limited as follows:

Nonhouse-banked card games.

- (1) Poker:
 - (a) There shall be no more than five betting rounds in any one game;
 - (b) The maximum number of wagers in any betting round shall be four, comprised of an initial wager plus three raises; and
 - (c) The maximum amount of a single wager shall not exceed twenty-five dollars;
- (2) Games based on achieving a specific number of points – each point shall not exceed five cents in value;
- (3) An ante, except for panguingue (pan), shall not be more than the maximum wager allowed for the first betting round for any game. The ante may, by house rule, be made by one or more players, but the total ante may not exceed the maximum wager allowed for the first betting round. An ante, by house rule, may be used as part of a player's wager;
- (4) Panguingue (pan) - the maximum value of a chip for a payoff shall not exceed ten dollars. An ante will not exceed one chip. Doubling of conditions is prohibited. Players going out may collect not more than two chips from each participating player;

House-banked card games.

- (5) Licensees authorized to conduct house-banked card games shall not allow a single wager to exceed two hundred dollars ;
- (6) A single wager may be made for each decision made by the player before additional cards are dealt or revealed. In addition, for blackjack, an additional wager may be placed for doubling down or splitting pairs; and
- (7) Bonus wagers for house-banked progressive jackpots shall not exceed one dollar. Bonus wagers with a predetermined prize amount based upon a separate element of chance within the same game shall not exceed the authorized maximum table limits as described in subsection (5) of this section.

Administrative Order #440 Effective 1/1/05

WAC 230-40-554 Chief executive officer or chief operations officer defined. The chief executive officer (CEO) or chief operations officer (COO) is the executive who has been designated by the owner, partners, or board of directors as the individual with overall responsibility for the business licensed to conduct card games. The CEO or COO may perform the duties of a gaming operation department manager as defined in WAC 230-40-556.

Administrative Order #452 Effective 12/22/05

WAC 230-40-610 Player-supported jackpots – Restrictions – Manner of conducting – Approval. A player-supported jackpot (PSJ) is a separate contest of chance directly related to the play and/or outcome of authorized nonhouse-banked card games but which is not the card game itself. Card rooms with a Class F or house-banked license may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games. Any PSJ must be approved in writing by the director or the director's designee prior to play. A PSJ must meet the following requirements:

Funding a PSJ.

- (1) A licensee may provide house funds to establish a PSJ. The licensee shall issue a check from the general business account into the PSJ account to start the prize fund. Recouping of start up funds shall be done by issuing a check from the PSJ account to the business general account. Electronic bank transfers shall satisfy this requirement. Start up funds shall not exceed five thousand dollars per PSJ.

Using a rake to fund a PSJ.

- (2) A licensee may assess a portion of players' wagers for a jackpot prize. Such amount shall not exceed two dollars per hand or game for each PSJ. This assessment shall be separately collected using the rake method.

PSJ funds are player funds - exception from administrative fee.

- (3) The licensee acts only as the custodian of the PSJ funds, including any interest earned on this money, and maintains no legal right to the funds. All PSJ funds shall be awarded as prizes, based upon a format approved by commission staff. An administrative fee not to exceed ten percent of the amount collected for a PSJ may be imposed by the licensee. This administrative fee includes all expenses incurred by the licensee, including banking fees. No other expenses beyond the ten percent administrative fee shall be deducted from the PSJ account.

Prize fund custodian.

- (4) Each licensee shall designate at least one "prize fund custodian" who shall be responsible for safeguarding and disbursing funds to winners. A prize fund custodian may be an owner, partner, officer, or licensed individual designated by a card room owner, partner, or officer. The custodian shall have signature authority for prize fund bank accounts and ensure accountability of all funds collected for use in a PSJ. The licensee shall meet the deposit requirements of WAC 230-40-608.

Payout of prizes.

- (5) Prize amounts paid in cash shall not exceed two thousand five hundred dollars. Prize amounts not awarded in cash shall be paid within twenty-four hours,

by check, the type which provides a duplicate copy. A record of all prizes paid shall be maintained in the format prescribed by commission staff and shall include:

(a) For prizes less than one hundred dollars, a system of accounting denoting each individual prize may be utilized.

(b) For prizes one hundred dollars and above, the following information shall be recorded on a prize record:

- (i) Full printed name;
- (ii) Date of birth;
- (iii) Street address;
- (iv) Type of identification reviewed;
- (v) Amount of the prize awarded;
- (vi) Description of the winning hand;
- (vii) Time and date awarded; and
- (viii) The supervisor's and dealer's initials.

(c) When awarding a prize of five hundred dollars or more, the dealer must, in view of the surveillance camera, display the value and suit of each card in the winning hand, and the remaining cards in the deck must be counted and put in numerical order by suit to confirm a complete deck. The hand shall be collected and sealed with the prize record. The winning hand and remaining deck shall be maintained on the premises as part of daily card room records for a period of seven days, unless released by a commission agent.

Owners and employees competing for a PSJ.

(6) Owners, custodians and on-duty card room employees may participate in card games that offer a PSJ, but may not share in the winnings of any prize awarded. Any prize winnings an owner or on-duty employee may be entitled to under game rules, must be divided equally among the other players at the table: Provided, That off-duty employees may participate in card games that offer a PSJ and share in the prize winnings.

Owners and employees showing cards.

(7) Owners and on-duty card room employees must turn their cards face up at the end of each game so they may be observed by other players at the table and surveillance if:

- (a) Playing in a game with a PSJ;
- (b) The prize is not based upon a predetermined hand; and
- (c) There is a qualifying hand at the end of a game (such as a "bad beat" hand).

House dealer required.

(8) All card games offering a PSJ must utilize a house dealer.

Security requirements.

(9) Each gaming table offering a PSJ shall be required to install a closed circuit television system as outlined in WAC 230-40-625: Provided, That licensees operating any house-banked card games shall follow the security requirements set forth in WAC 230-40-825 for all tables in the card room, including those offering a PSJ.

Removing a PSJ from play.

(10) The following procedures shall be followed for all discontinued player-supported jackpots:

Discontinued.

(a) In the event a licensee elects to discontinue a PSJ, the balance, less any nonrecouped seed money, shall be distributed to players within sixty days of discontinuance by offering an approved promotion or card tournament of the same game under which the PSJ was originally accrued.

Closure of business.

(b) In the event a licensee ceases to operate a card room, or fails to maintain a valid card room license, all funds associated with the PSJ shall be distributed to the Washington state council on problem gambling.

Posting rules.

(c) The licensee shall conspicuously post a sign stating how PSJ money will be distributed in the event the PSJ is discontinued or the business closes. The sign must be posted at the inception of the PSJ.

House rules.

(11) House rules, to include administrative fees shall be posted in a location readily visible by all players and disclose the conditions under which prizes may be won, the prize amount, cost to participate, and any other conditions which may affect the outcome of the game.

Dispute resolution.

(12) If a dispute arises involving the outcome of a PSJ, the licensee shall preserve the video recording, the winning hand and remaining deck, and all records for the game where the dispute occurred and shall notify commission staff within twenty-four hours. The licensee shall document all information pertaining to the dispute including:

- (a) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved;
- (b) Amount of the advertised PSJ; and
- (c) A full description of the circumstances surrounding the dispute.

(13) All disputes involving a PSJ will be investigated by commission staff, with a report submitted to the director. A written decision will be issued by the director, or the director's designee, and such decision shall be final.

(14) During the course of dispute resolution, the commission may become the temporary custodian of any and all prize funds. The PSJ will be suspended until the dispute is resolved.

Administrative Order #455 Effective 4/13/06

WAC 230-40-815 Administrative and accounting control structure – Organization – House-banking.

Each licensee operating a house-banked card game shall ensure that all games are closely controlled, operated fairly and in accordance with all rules of the commission. The following control procedures and conditions shall be met:

Internal controls.

(1) The licensee shall have a system of internal controls that include at least the following:

(a) Administrative controls, which include, but are not limited to, the organization's plan, procedures, and records concerned with decision processes leading to management's authorization of transactions; and

(b) Accounting controls which include the licensee's plan, procedures, and records concerned with the safeguarding of assets and the reliability of financial records. These controls must be designed to provide reasonable assurance that:

(i) Transactions are executed in accordance with management's general and specific authorization;

(ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;

(iii) Access to assets is permitted only in accordance with management's authorization; and

(iv) The recorded accountability for assets is compared with existing assets at least annually and appropriate action is taken within five working days with respect to any differences.

Administrative controls.

(2) The licensee's system of administrative controls shall provide for the following:

(a) Competent personnel with an understanding of prescribed procedures;

(b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties; and

(c) Each employee of a house-banked card room shall be licensed by the commission and shall be knowledgeable in all accounting and internal control practices and procedures relevant to each employee's individual function.

Separate departments and functions.

(3) The licensee shall, at a minimum, establish the following departments or functions that shall be independent from all other departments or functions:

Surveillance.

(a) A surveillance department which shall not include security functions or personnel. The head of surveillance shall be responsible for, but not limited to, the following:

(i) The clandestine surveillance of the operation and conduct of the table games;

(ii) The clandestine surveillance of the operation of the cashier's cage;

(iii) The video and audio recording of activities in the count rooms;

(iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;

(v) The video recording of unusual or suspected illegal activities;

(vi) The notification of appropriate supervisors and commission staff, within three working days, upon the detection of cheating, theft, embezzlement, or other illegal activities;

(vii) Ensuring that each dealer is evaluated to determine if all required dealer procedures and techniques set forth in the licensee's approved internal controls are followed; and

(viii) Ensuring all surveillance employees have a demonstrated knowledge of the following:

(A) Operating surveillance systems;

(B) Rules of play and procedures for the games being played; and

(C) The overall procedures relating to the duties of all employees of the house-banked card room being monitored (dealers, shift managers, floor supervisors, cage cashier's and count team members).

Security.

(b) A security department, supervised by a security department manager, is responsible for at least the following:

(i) Control of cards and dealing shoes, including storage of new and used cards and shoes, and control of the disposition and/or destruction of same when removed from service; and

(ii) Transfer of cash and chips to and from the gaming tables, cage and count room.

Gaming operations.

(c) A gaming operation department supervised by a gaming operation department manager who shall be responsible for the operation of all house-banked card games conducted by ensuring the following:

(i) Card games are operated by licensed dealers who are assigned to each gaming table;

(ii) A floor supervisor is assigned the responsibility for the overall supervision of the conduct of gaming within a pit and can supervise no more than seven tables as long as the floor plan was approved by commission staff in the Internal Controls;

(iii) A licensee which utilizes two separate areas of a gaming establishment shall require at least one supervisor in each area; and

(iv) A shift manager, who reports to the gaming operation department manager, is assigned to supervise floor supervisors and all gaming related activities that occur during each shift. In the absence of the gaming operation department manager, the shift manager shall have the authority of a gaming operation department manager: Provided, That in addition to the floor supervisors required in this subsection, licensees

operating more than ten tables shall be required to have a shift manager on the premises.

Accounting.

(d) An accounting department supervised by an individual who shall report directly to the chief executive officer or chief operations officer. The responsibilities of the accounting department shall include, but not be limited to, the following:

- (i) Implementing and monitoring of accounting controls;
- (ii) The preparation, control, and storage of records and data required;
- (iii) The control of unused forms inventory along with reconciliation of forms used; and
- (iv) The control and supervision of the cashier's cage.

Modifications.

(4) Any changes to the licensee's system of internal controls must be submitted to commission staff and be approved prior to implementation.

Employees shall be informed of internal controls.

(5) All licensed operators shall inform their card room employees of the internal controls related to their respective area of responsibility. Furthermore, both the operator and all card room employees shall follow these internal controls at all times.

Administrative Order #438 Effective 1/1/05

WAC 230-40-825 Closed circuit television system – House-banking. Critical activities related to the operation of house-banked card games shall be closely monitored by the use of a closed circuit television (CCTV) system and recorded using analog and/or digital recording equipment. Each house-banked card room licensee shall install and maintain a CCTV system that meets the following requirements.

Camera coverage.

(1) The following areas are required to be viewed by the CCTV system:

(a) All gaming at each table including, but not limited to, the following:

- (i) Cards;
- (ii) Wagers;
- (iii) Chip tray;
- (iv) Drop box openings;
- (v) Card shoe;
- (vi) Shuffling devices; and
- (vii) Players and dealers.

(b) All activity in the pits.

(c) All activity in the cashier's cage including, but not limited to, the:

- (i) Outside entrance;
- (ii) Fill/credit dispenser;
- (iii) Customer transactions;
- (iv) Cash and chip drawers;
- (v) Vault/safe;
- (vi) Storage cabinets;

(vii) Fill or credit transactions; and

(viii) Floor.

(d) All activity in the count room including, but not limited to, the:

- (i) Count table;
- (ii) Floor;
- (iii) Counting devices;
- (iv) Trolley;
- (v) Drop boxes;
- (vi) Storage shelves/cabinets; and
- (vii) Entrance and exits.

(e) The movement of cash, gaming chips, and drop boxes.

(f) Entrances and exits to the card room.

Camera requirements.

(2) The CCTV system shall consist of light sensitive cameras including those with pan, tilt, and zoom (PTZ) capabilities having the ability to determine card and chip values and the configuration of wagers at each gaming table. Each video camera shall be capable of having its images displayed on a video monitor and recorded. Cameras shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by patrons or employees. PTZ cameras shall be placed behind a smoked dome, one-way mirror or similar materials that conceal the camera from view. Installed cameras shall cover the areas required by this rule and shall include at a minimum:

(a) At least one fixed camera focused over each gaming table covering the entire layout;

(b) A sufficient number of fixed and/or PTZ cameras permanently programmed for the purposes of monitoring players and dealers at each gaming table. The PTZ cameras must be capable of viewing each patron and dealer at each gaming position at least once every five minutes;

(c) A sufficient number of PTZ cameras for the purpose of determining the configuration of wagers and card values at each gaming table. Any time a winning wager, including jackpot or bonus payouts in excess of one thousand dollars are won, surveillance shall utilize this camera to verify the winning hand, the amount of the wager, and the player who won the prize. Each licensee shall have documented procedures in their internal controls stipulating the manner in which this will be carried out;

(d) A sufficient number of fixed and/or PTZ cameras in the cage(s);

(e) A sufficient number of fixed and/or PTZ cameras in the count room; and

(f) Any other location as deemed necessary by commission staff.

Video recording equipment requirements.

(3) Video recording equipment shall meet the following requirements:

(a) **Analog recording**, including audio recording where required, using a video cassette recorder, shall comply with the following requirements:

(i) Images shall be recorded at a rate of not less than twenty frames per second on standard VHS format; and

(ii) Recorded images shall accurately reflect the time and date of the video recording. If multiple time and date generators are used, they shall be synchronized to the same time and date; or

(b) **Digital recording**, including audio recording where required, using a digital storage system, shall comply with the following requirements:

(i) All images shall be recorded on a hard drive;

(ii) Recording systems shall be locked so that access to the erase and reformat functions, and system data files is restricted to persons authorized in the internal controls;

(iii) The system must provide uninterrupted recording of surveillance, during playback or copying; Provided, That motion-activated recording may be used;

(iv) Recording systems shall be capable of copying original images maintaining the original native format;

(v) Images shall be stored at a rate of not less than twenty-five images per second;

(vi) Images shall be recorded at a minimum resolution of 320 x 240 and displayed during playback at a minimum resolution of 640 x 480;

(vii) Images shall be stored in a format that is readable by commission computer equipment;

(viii) Images shall be stored in a format that can be verified and authenticated by commission staff;

(ix) Recorded images shall include the accurate time and date the video was originally recorded;

(x) Previously recorded material may be overwritten after seven continuous days of gaming; and

(xi) Recording systems shall be equipped with an uninterruptible power source to allow a proper system shutdown.

Multiplexing and quad recording devices.

(4) Multiplexing and quad recording devices may not be used for required surveillance except under the following circumstances:

(a) Multiplexing or quad recording devices may be used on entrances and exits; and

(b) Quad recording devices may be used to record the movement of drop boxes between tables and the count room.

Multiplexing and quad recording devices defined.

(c) **Multiplex recording** means combining multiple video inputs into a single signal by quickly cycling through the separate video inputs (i.e., the view rotates among different cameras) in a predetermined order, recording each video input sequentially in the cycle. Multiplex recording does not provide continuous recording of each video input and the amount of time lapse is dependant upon the number of video inputs in the sequence.

(d) **Quad recording** means four separate video inputs are continuously recorded and combined into a single signal displayed on one monitor with a view of each video input.

Recording of illegal or suspicious activities.

(5) Illegal or suspicious activities within the monitored portion of the licensed premises shall be reported to commission staff, pursuant to WAC 230-40-815 (3)(a)(v) through (vi). Additionally, licensees shall ensure two copies of the entire recorded image sequence are made reflecting the questioned activity. One copy shall be provided to commission staff or other law enforcement representatives upon demand and the other copy maintained by the licensee for a period of thirty days.

Activities to be recorded.

(6) Video signals from all cameras shall be recorded when:

(a) Gaming tables are in operation;

(b) Drop boxes or chip trays are stored on the gaming tables;

(c) Drop boxes are being transported; or

(d) Drop box contents are being counted.

Video monitors.

(7) The CCTV system shall include a sufficient number of video monitors to simultaneously view multiple gaming tables, the cashier's cage, and count room activities.

Surveillance room.

(8) The licensee shall maintain one or more surveillance rooms with the following minimum requirements:

(a) The surveillance room shall have controlled access and be used solely by the employees of the surveillance department assigned to monitor activities: Provided, That this restriction does not apply to owners or approved supervisory or management personnel.

(b) Commission agents and law enforcement personnel shall be provided immediate access to the surveillance room upon request.

(c) Entrances to surveillance rooms shall not be readily observable from the gaming operation area.

(d) The licensee shall ensure a surveillance employee is present in the surveillance room and monitoring the activities of the operation, via the surveillance room equipment, any time the card room is open to conduct gaming and during the count process: Provided, That the licensee may allow the surveillance room to operate without staff for a period not to exceed thirty minutes per shift for the purpose of routine breaks.

Surveillance activity log.

(9) The licensee shall maintain a record of all surveillance activities in the surveillance room. A surveillance log shall be maintained by surveillance personnel and shall include, at a minimum, the following:

(a) Date and time of surveillance;

(b) Person initiating surveillance;

(c) Time of termination of surveillance;

(d) Summary of the results of the surveillance; and

(e) A record of any equipment or camera malfunctions.

Employee sign-in log.

(10) A surveillance room sign-in log shall be maintained to document the time each surveillance employee monitors the card room. The surveillance sign-in log shall be available for inspection at any time by commission staff or law enforcement personnel.

Labeling and storing video and audio recordings.

(11) Video and audio recordings shall be marked to denote the activity recorded and retained for a period necessary to afford commission staff or law enforcement personnel reasonable access. The following minimum retention periods apply to recordings:

(a) Recordings shall be retained for a minimum of seven complete gaming days;

(b) Recordings of evidentiary value shall be maintained as requested by commission staff; and

(c) Tapes documenting jackpot payouts over three thousand dollars shall be retained for at least thirty days; and

(d) Commission staff may increase any of the retention requirements noted in this section by notifying the licensee.

Dispute resolution.

(12) In the event there is not sufficient clarity due to violations of the above requirements, the burden will be on the licensee to prove any action taken was warranted. Otherwise, all disputes shall be resolved in favor of the player: Provided, That a review by commission staff may be requested if the licensee feels circumstances warrant, for example, cheating has occurred.

**WASHINGTON STATE
GAMBLING COMMISSION**

Chapter 9.46 RCW

**CHANGES
For September 2004 Rules Manual**

AMENDATORY SECTION 5

Effective June 7, 2006

RCW 9.46.240 Gambling information, transmitting or receiving. Whoever knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, the internet, a telecommunications transmission system, or similar means, or knowingly installs or maintains equipment for the transmission or receipt of gambling information shall be guilty of a class C felony subject to the penalty set forth in RCW 9A.20.021. However, this section shall not apply to such information transmitted or received or equipment installed or maintained relating to activities authorized by this chapter or to any act or acts in furtherance thereof when conducted in compliance with the provisions of this chapter and in accordance with the rules adopted under this chapter.